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'RURAL POVERTY AND INDIAN ECONOMY-A SYSTEMATIC AND CRITICAL EVALUATION'

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Abstract:

In this paper we describe the rural poverty in India for the representation of a systematic and critical evaluation in the context of Indian Economy. In the modern period (21st century), our country faces so many difficulties due to the cause of over population. Poverty eradication programmes are helpful to reduce rural poverty by all means. For the betterment of our N.I, over population control & poors upliftment will be an extent to rural development. The poverty line indicates the low income level of the poor Indian inhabitant, just after independence to up to 5th Five Year Plan period, but at the moment it is moderately improving on behalf of the Govt. existing policies.

INTRODUCTION

Indian economy has been on the stir upwards since independence. Its achievements in the course of the last two decades have been rationally impressive. In India, poverty has been defined as that situation in which an individual fails to earn income sufficient to buy goods for him. It means that subsistence which consists of minimum physical quantities of cereals, pulses, milk, butter, etc. to provide the minimum nutritional level. Rural population in 2010 was 818,485,662.0 and number of rural poor (in million-approximate) calculated 231,631,442.3.

At the beginning of the new millennium, 260 million people in the country did not have incomes to access a consumption basket which defines the poverty line. Of these, 75 % were in the rural areas. India is home to 22 % of the world's poor. Such a high incidence of poverty is a matter of concern in view of the fact that poverty eradication has been one of the major objectives of the development planning process. Indeed, poverty is a global issue. Its eradication is considered essential to humanity's mission for sustainable development. Reduction of poverty in India, is therefore, critical for the attainment of international goals.

The number of poor people in India, according to the country's Eleventh National Development Plan, amounts to more than 300 million. The country has been successful in reducing the proportion of poor people from about 55 % in 1973 to about 27 % in 2004. But almost one third of the country's population of more than 1.1 billion continues to live below the poverty line, and a large proportion of poor people live in rural areas. Poverty remains a chronic condition for almost 30 % of India's rural population. The incidence of rural poverty has declined somewhat over the past three decades as a result of rural to urban migration.

Poverty is deepest among members of scheduled castes and tribes in the country's rural areas. In 2005 these groups accounted for 80 % of poor rural people, although their share in the total rural population is much smaller. On the map of poverty in India, the poorest areas are in parts of Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar, Jharkhand, Orissa, Chhattisgarh and West Bengal. Large numbers of India's poorest people live in the country's semi-arid tropical region. In this area shortages of water and recurrent droughts impede the transformation of agriculture that the Green Revolution has achieved elsewhere. There is also a high incidence of poverty in flood-prone areas such as those extending from Eastern Uttar Pradesh to the Assam plains, and especially in Northern Bihar. Poverty affects tribal people in forest areas, where loss of entitlement to resources has made them even poorer. In coastal fishing communities people's living conditions are deteriorating because of environmental degradation, stock depletion and vulnerability

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to natural disasters. A major cause of poverty among India's rural people, both individuals and communities, is lack of access to productive assets and financial resources. High levels of illiteracy, inadequate health care and extremely limited access to social services are common among poor rural people.

Different sectors of the Indian economy like agriculture, industry, trade, banking, insurance, transport, communication, etc have made modest to good progress. A lot of many structural changes have also taken place. India economy has made significant evolution in moving from underdevelopment to development, from poverty (mainly rural poverty) to prosperity. However despite this, the Indian economy still exhibits certain features which discriminate an underdeveloped economy. One such feature is low level of income. Per capita income of India is one of the lowest in the world. China and Sri Lanka have higher per capita income than India. Low per capita income indicates low economic welfare of the people and existence of massive rural poverty in the country.

PROBLEM OF POVERTY IN INDIA -

Poverty is as old as mankind. Poverty has degraded human lives for centuries. But one of the great achievements of the 21st century is its vivid reduction. Although poverty has been greatly reduced in many parts of the world, countries of Asia, Africa and Latin America are still characterised by the existence of heightened poverty. One - third of the population of these developing countries still remains in severe poverty. Although pockets of poverty exist even in the developed countries of Europe and America also. Poverty is in large shape in all the Third World Countries. The Indian economy is also affected by this plague of poverty.

Problem of poverty is considered as the biggest challenge to development planning in India. Higher poverty level is synonymous with poor quality of the life, deprivation, malnutrition, illiteracy and low human resource development. The slogan of poverty eradication has been adopted by all political parties in one form or another. Despite various schemes and programmes adopted to achieve the objectives of eradicating poverty, high problem of poverty continues to preoccupy the Indian economy.

Poverty can be taken in two senses, e.g. 'absolute' and 'relative' poverty. Absolute poverty is defined as a phenomenon when a section of the society is unable to get even its basic requirements of life and thereby it is unable to have a minimum level of living. Thus absolute poverty is defined in terms of some absolute minimum standard of living can be expressed in terms of minimum income level or minimum consumption expenditure. On the other hand, relative poverty refers to the phenomenon when the income for consumption expenditure of a section of the society. It refers to a situation of failing behind most other members of the community. It is related to distribution of income or distribution of consumption expenditure in the society.

The poverty line (or poverty-level) indicates the income level which is just sufficient to buy the basic minimum quantity of food required. The determination of the poverty line involves following steps -

1. The Planning Commission of India had defined the poverty line in terms of nutritional requirement of 2,400 calories per person per day for rural areas and 2,100 calories for urban areas. Calorie requirements for rural people are higher because people who are engaged in more physical work.
2. Poverty line is identified in terms of per capita consumption expenditure required to get the minimum calorie intake.
3. BPL card holder people are also identified as poor.

According to the Expert Group of the planning Commission, under the Chairmanship of Prof. D. T. Lakdawala for the estimation of poverty in India, the earlier estimates of the planning commission have been revised as per the methodology recommended by the Expert Group.

A - Table
Number and percentage of population below Poverty Line

Year	Rural		Urban		All India	
	No. of persons (Million)	Percentage of Persons	No. of Persons (million)	Percentage of Persons	No. of Persons (million)	Percentage of Persons
1993 - 94	244	37.3	76	32.4	320	36.0
1999-2000	193	27.1	67	23.6	260	26.1
2004-2005	221	21.8	81	21.7	302	21.8

Source - GoI survey-2001- 02

It is clear from this table that the incidence of poverty declined steadily at the base of percentage of persons for both rural sectors & urban sectors at all India level.

INTERSTATE VARIATIONS OF RURAL INDIAN POVERTY-

A recent state level study shows that more than 90 % of India's rural poor live in 10 major states. Andhra Pradesh, Bihar, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal. What is more shocking is that 54 % of India's poor lived in the states of Bihar , Madhya Pradesh, Odisha and Uttar Pradesh in 2004-05. This indicates the concentration of the bulk of the poor in these states . As against this, the poverty ratio is, low in states like Gujarat, Kerala , Haryana and Punjab. In fact, states like Kerala, Jammu and Kashmir, Goa, Delhi, Andhra Pradesh, Gujarat, Tamil Nadu, Karnataka and West Bengal have achieved a significant reduction in poverty in the course of economic development. But the States of Bihar, Madhya Pradesh, Maharashtra and Uttar Pradesh have experienced a slower rate of poverty reduction during the last two decades. This has led to widening of interstate inequalities.

According to R. Nurkse, "vicious circle of poverty implies a circular constellation of forces tending to act and react upon one another in such a way as to keep a poor country in a state of poverty". Vicious circle of poverty refers a kind of trap in all the developing economic countries in depressed condition.

Causes of poverty at a glance – are so many as laid down below-

- (i) Rapid population growth among the rural poors.
- (ii) Low growth rates in the economy & unemployment in wide range.
- (iii) Inequalities among the rural poors & little trickle down effect of economic development.
- (iv) Agricultural backwardness & inadequate anti-poverty measures.
- (v) Low education level among the rural poors & socio-cultural factors & political factors etc.

Eradication Measures of Poverty - all are as given below-

- (i) Economic growth & agricultural development.
- (ii) Development of small & cottage scale industries, population control & land reforms.
- (iii) Public distribution system & so many poverty alleviation programmes etc.

Govt. Programmes of Poverty & Unemployment Alleviation -

The important programmes are NREGP/S, Rural Landless and Employment Guarantee Programme, Jawahar Rozgar Yojana, Integrated Rural Development Programme, Training of Rural Youth for Self Employment, Self Employment Programme for Urban Poor, Nehru Rozgar Yojna, Prime Minister's Rozgar Yojana, and Prime Minister's Integrated Urban Poverty Eradication Programme etc.

Jawahar Gram Samridhi Yojana - was introduced in April 1999 by restricting the Jawahar Rozgar Yojana. It has two main objectives -

- i. The primary objectives are to create durable productive community assets and infrastructure at the village level.
- ii. The secondary objectives are to generate wage employment for unemployed poor in the rural areas.

Swarnjayanti Gram Swarozgar Yojana- was launched on 1 April - 1999 by restricting and combining a number of previous programmes like IRDP, TRYSEM and other allied programmes.

Up to December 31, 2010, about 154.87 lakh persons have been assisted with a total outlay of Rs. 37,927 crore.

Pradhan Mantri Gramodya Yojana - was introduced in the Budget of 2000-01. Its objectives are to focus on village level development in five critical areas, i.e., health, primary education, drinking water, housing and rural roads.

Sampoorna Grameen Rozgar Yojana – was launched in September 2001. The objectives of the scheme are –

- i. To provide wage employment along with food security in the rural areas to people who live in the below poverty line.
- ii. To create durable community, social and economic fresh environment.

Mahatma Gandhi National Rural Employment Guarantee Scheme -

(MGNREGS) This scheme aims at increasing livelihood security to rural households. With the NREG Act being passed in 2005, the NREGS was implemented from February, 2006 in 200 most backward districts of the country with the objectives of providing at least 100 days of guaranteed unskilled wage employment in a year to each rural household opting for at the minimum wages of Rs. 120 per day. The NREGS was renamed as MGNREGS on 2 October 2009.

A study conducted in Ajmer, Udaipur, Pali and Jaisalmer in Rajasthan for the period 1995-2001 observed that, Employment Assurance Scheme, Jawahar Rozgar Yojana and Jawahar Gram Samridhi Yojana, funds were utilised mainly to create school buildings, health infrastructure or economic infrastructure such as roads shops etc.

In Uttar Pradesh a study was conducted in 20 villages in 10 districts viz., Bareilly, Aligarh, Meerut/ Baghpat, Deoria, Jaunpur, Allahabad / Kaushambi, Fatehpur, Unnao, Hamirpur & Pithoragarh. The study revealed that during 2000-2010, some work was found to have been done in each of the villages under the employment generation programmes although the quantum varied.

CONCLUSIONS OF THE PROPOSED SYSTEMATIC & CRITICAL EVALUATION –

Rural poverty and Indian economy is a wide study with its systematic & critical evaluation in the special reference to 21st century rural poors.

The success of the anti-poverty strategy can be gauged from the decline in poverty levels from 37.27% in 1993-94 to 27.09% in 1999-2000 in the rural areas. Indian economy is more than better now due to the uplifting conditions by all means, for all the Indian rural poors.

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